weekly economic review

February 21, 2014

Retail Sales

Another strong year for retail sales

Retail sales hit $6.18 billion in December, down slightly from $6.25 billion in November. However, on a year-over-year (y/y) basis, growth improved to 7.3%, largely due to weakness in December 2012. A similar base period effect caused national retail sales to accelerate to 3.4% y/y growth despite declining 1.8% from November. In 2013, retail sales jumped 6.6% in Alberta, led by higher sales at auto dealers, and well above the 2.5% national increase.

Consumer Price Index (CPI)

Shelter costs increasing

The Alberta CPI rose by 2.7% y/y in January, the quickest pace in two years, largely as a result of higher shelter and gasoline costs. CPI inflation in Calgary (+3.1%) was largely propelled by higher shelter costs (+5.0%), which helped push the provincial index higher (see Chart). Edmonton's CPI rose at a pace of 2.2% on a year-over-year basis in January.

The national CPI accelerated as well, from 1.2% in November to 1.5% in December, as shelter costs rose at the fastest rate since the spring of 2011.

Job Vacancies

Vacant jobs filled

Job vacancies declined noticeably in November, with the three-month moving average hitting 46,100. This is down from 50,000 in October. The job vacancy rate, the share of unfilled positions as a share of total labour required, moved down to 2.3%, tied with the lowest level observed in Alberta since the statistic began being collected in 2011. Despite the November pullback, Alberta had the highest vacancy rate among the provinces and accounted for a disproportionately high share (21%) of all job vacancies in Canada.

Investment in New Housing Construction

Sustained growth

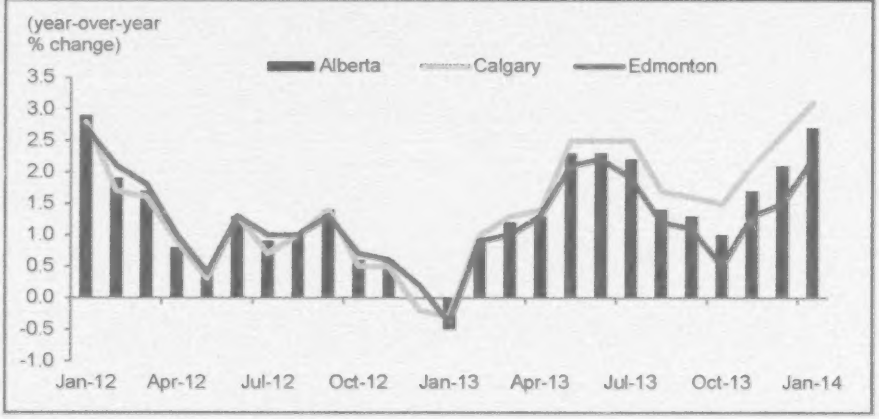
Investment in new housing construction remains strong in Alberta, rising 6.9% y/y in December to $765 million. This caps off a strong year in which residential investment rose 10.4% in 2013, a stark contrast to a 3.7% national decline. Single units saw investment increase 6.0% y/y, well below the impressive growth rates at the start of 2013, but well above slower growth rates in July and August. Apartment investment remained strong at 10.0% in December, and up 25.4% for 2013 as a whole.

Wholesale Trade

Growth stumbles

Wholesale trade finished 2013 on a softer note, posting its first year-over-year decline in nine months. Wholesale sales were down a modest 0.2%, as weaker sales of building supplies offset gains in machinery and food & beverages. The value of product moved by wholesalers rose 2.1% in 2013 overall, a deceleration from the 10.8% increase in 2012.

Consumer Price Index



Source: Statistics Canada

Closing Price	Feb 13, 2014	Feb 20, 2014	2013-14 Fiscal YTD
Canadian Dollar (US¢/$CAN)	91.07	90.06	95.55
WTI Oil ($US/bbl)	100.35	102.92	98.83
NYMEX Natural Gas($US/MMBtu)	5.22	6.06	3.96

Contact:

Warren Kirkland 780.427.8845

Alberta Economic Indicators

Population	2012	2013	2014YTD	Aug	Sept	Oct	Nov	Dec	Jan
Population (000's)	3,889	4,025	4,061	..	..	4,061	..	..	..
y/y % change	2.6	3.5	3.5	..	..	3.5	..	..	..
Net Interprovincial Migration[1]	27,652	52,677	10,269	..	..	10,269	..	..	..
Net International Migration[1]	40,842	52,551	16,436	..	..	16,436	..	..	..
Net Non-permanent Residents[1]	10,085	19,560	8,213	..	..	8,213	..	..	..
Labour Market									
Employment (000's), SA	2,149	2,211	2,243	2,231	2,236	2,235	2,246	2,237	2,243
y/y % change	2.6	2.8	3.2	3.8	3.8	3.5	3.5	3.1	3.2
Unemployment Rate (%), SA	4.6	4.6	4.6	4.8	4.4	4.5	4.7	4.8	4.6
Participation Rate (%), SA	73.4	73.1	72.8	73.5	73.1	73.0	73.3	72.9	72.8
Average Weekly Earnings ($), SA	1,072.98	1,108.34	..	1,110.83	1114.41	1126.96	1131.40	..	..
y/y % change	3.6	3.2	..	0.8	2.6	3.3	3.7	..	..
Price Indices									
NEW! Consumer Price Index (y/y % change)	1.1	1.4	2.7	1.4	1.3	1.0	1.7	2.1	2.7
Excluding food and energy	1.3	1.4	2.1	1.6	1.5	1.6	1.5	1.9	2.1
Non-Res. Building Cons. Price Index[2] (y/y % change)	3.8	1.2	..	..	1.2	..	..	1.3	..
Farm Product Price Index (y/y % change)	6.3	4.4	..	2.5	2.5	..	..	..	..
Crops	6.7	4.7	..	-4.2	6.0	..	..	..	..
Livestock	5.9	3.9	..	7.0	10.0	..	..	..	..
Household Sector									
Housing Starts (SAAR, 000's)	33.3	36.1	39.2	29.3	31.2	38.1	43.7	36.2	39.2
y/y % change	30.7	8.2	27.7	1.0	-8.2	14.2	10.0	19.0	27.7
New Housing Price Index[3] (y/y % change)	1.6	2.8	..	3.3	3.1	3.0	3.1	2.9	..
Edmonton	0.9	0.5	..	0.8	0.2	0.3	0.0	0.2	..
Calgary	1.7	5.3	..	6.1	6.3	6.1	6.5	6.1	..
MLS Average Resale Prices ($ 000's)	362.0	380.2	397.3	388.1	383.4	381.5	388.6	389.7	397.3
y/y % change	2.6	5.0	4.5	7.0	7.5	3.9	5.3	4.7	7.3
Edmonton ($ 000's)	332.7	343.8	355.0	347.0	347.5	339.2	347.2	356.9	355.0
y/y % change	2.6	3.3	4.5	4.2	8.2	1.4	2.5	5.3	6.2
Calgary ($ 000's)	410.8	436.6	455.8	441.3	439.0	439.8	449.3	449.5	455.8
y/y % change	2.2	6.3	4.4	8.1	8.5	4.2	7.7	4.5	5.8
NEW! Retail Sales, SA (y/y % change)	6.9	6.6	..	5.9	6.5	6.6	6.6	7.3	..
New Motor Vehicle Sales (y/y % change)	10.5	6.2	..	7.0	2.1	6.5	5.3	7.9	..
Consumer Bankruptcies	5759	4405	..	379	375	383	323	..	..
y/y % change	18.1	-18.6	..	-16.5	10.9	-21.7	-23.1	..	..
Business Sector									
Rigs Drilling	250	235	392	239	251	239	233	259	392
y/y % change	-12.6	-5.9	6.7	7.0	9.6	1.0	9.8	-9.9	6.7
Goods Exports, customs based (y/y % change)	2.9	6.9	..	6.7	13.5	16.5	10.7	13.7	..
Energy	3.6	9.3	..	11.3	21.1	22.6	13.6	20.3	..
Farm, Fishing and Intermediate Food	20.6	-8.2	..	-24.2	-27.5	-14.4	3.6	-17.6	..
Farm Cash Receipts (quarterly, y/y % change)	14.1	2.1	..	..	-3.4	..	..	..	..
Manufacturing Shipments, SA (y/y % change)	3.4	1.8	..	7.7	1.0	5.6	6.3	4.8	..
NEW! Wholesale Trade, SA (y/y % change)	10.9	2.1	..	1.8	-1.2	5.0	1.1	-0.2	..
Building Permits, SA (y/y % change)	14.8	18.8	..	1.1	29.9	22.3	0.0	17.8	..
Residential	18.2	19.1	..	-5.9	39.5	37.6	18.7	25.4	..
Non-residential	10.7	18.2	..	12.3	14.7	2.4	-20.4	8.8	..
Business Bankruptcies	230	123	..	7	13	15	8	..	..
y/y % change	-12.9	-42.5	..	-30.0	-38.1	-16.7	-46.7	..	..

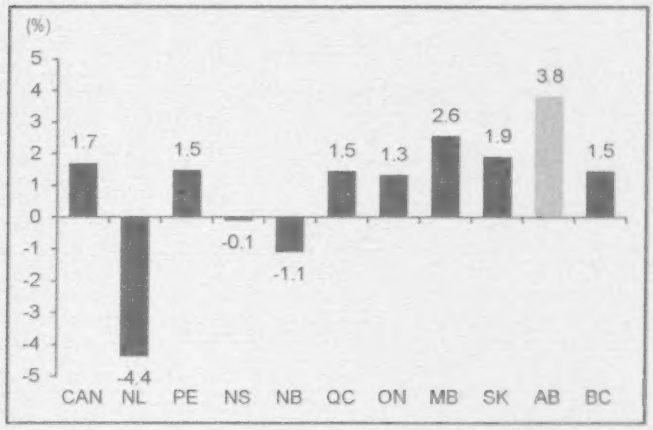
1 Quarterly, annual numbers are presented on a census year basis (July 1—June 30)
2 Quarterly, average of Calgary and Edmonton
3 Average of Calgary and Edmonton
YTD (year to date) represents the change since the beginning of the year compared to the same period in the previous year. "SA" denotes seasonally adjusted. "SAAR" denotes seasonally adjusted at annual rate.

Sources: All data are from Statistics Canada except Housing Starts (Canada Mortgage and Housing Corporation), MLS Average Resale Prices (Canada Real Estate Association), Rigs Drilling (Canadian Association of Oilwell Drilling Contractors) and Bankruptcies (office of the superintendent of Bankruptcy Canada).

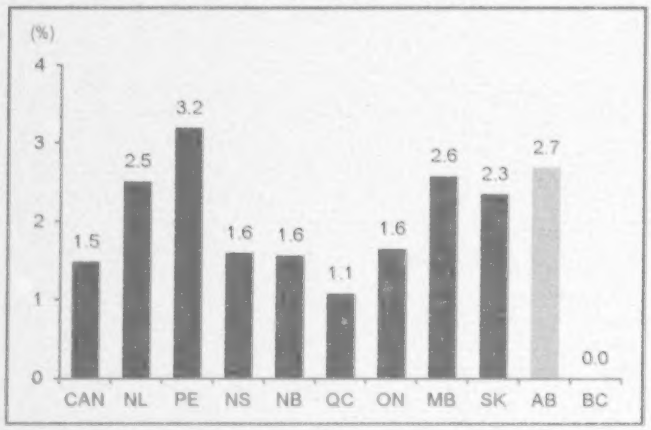
All historical data are subject to revision.

Economic Indicators by Province

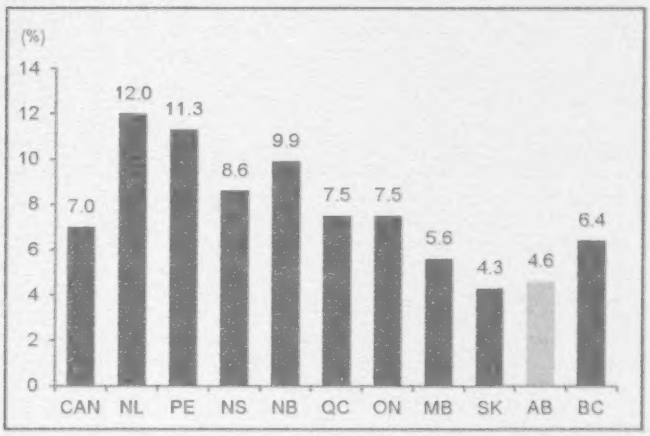
Real GDP at Market Prices
(2012, year-over-year growth)



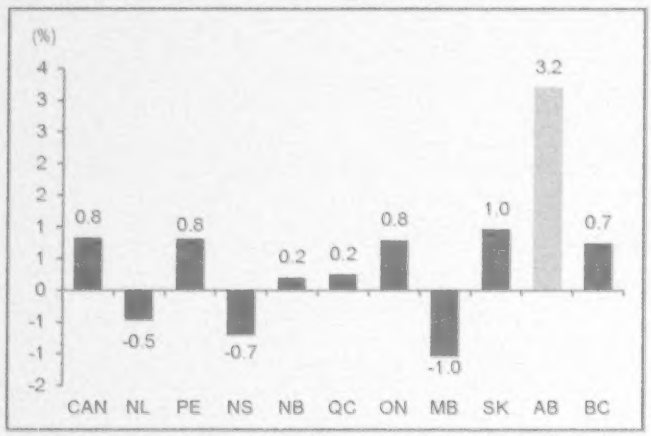
CPI Inflation
(January 2014, year-over-year growth)



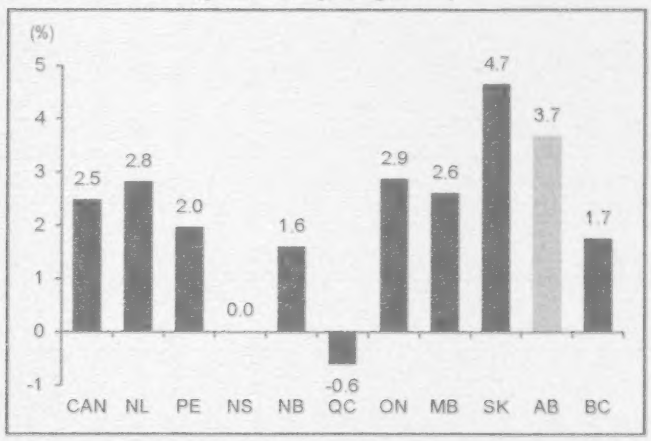
Unemployment Rate
(January 2014)



Employment
(January 2014, year-over-year growth)



Average Weekly Earnings
(November 2013, year-over-year growth)



Housing Starts
(January 2014, SAAR, year-over-year growth)